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THE SECRETARY OF STATE
WASHINGTON

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March 21, 1979

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MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance *CRN*

1. South African Information Scandal - South Africa's Information Ministry scandal continues to unfold. Secret government funds apparently were used to buy influence in western capitals, purchase newspapers (including an attempt at the Washington Star), and enrich some of the officials involved. The most serious recent charge is that the mysterious double murder of a parliamentary candidate and his wife was committed to prevent earlier revelation of the scandal. Although we have no confirmed reports of involvement of US politicians, the Justice Department is investigating allegations of South African contributions to several US political campaigns.

The scandal has already tarnished President Vorster and weakened Prime Minister Botha's position. Botha's most obvious challenger is an arch-conservative, Andries Treurnicht, who would be more difficult to deal with on Namibia, Rhodesia and other issues.

Tonight the BBC will air an interview with Eschel Rhoodie, an implicated official who has fled South Africa. Rhoodie claims that he will reveal facts that will cause Botha to resign.

2. House Foreign Affairs Committee Restores Full Administration Request for Philippine MAP - By a narrow 14-11 vote, the House Foreign Affairs Committee agreed to restore the full Administration request for MAP assistance to the Philippines. From the debate it was clear that your letter to Wolff, among other efforts to focus the Committee's attention on the strategic importance of the bases, was decisive in giving us the edge in the final vote. All nine Republicans present and five Democrats (Zablocki, Wolff, Fascell, Fountain and Bowen) voted to restore the full amount;

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while eleven Democrats voted for the cut because of continuing human rights problems in the Philippines. Some of those voting for the full amount indicated unhappiness with the human rights record of the Marcos government, but generally agreed the Congress should support your "best effort" pledge to Marcos for \$50 million MAP and \$500 million total aid over five years.

*Cy. Howe
strongly for
a consulate
in Tashkent*

3. US/USSR Consular Review - Yesterday, US and Soviet representatives concluded their fourth round of meetings since 1975 on bilateral consular matters. We were not able to reach full agreement on a draft note, but some progress was made. The Soviets agreed to increase the number of US entry points into the country, and in return we agreed to issue diplomatic visas to a wider range of Soviet Government officials. We will negotiate remaining differences through the Soviet embassy here.

4. Proximity Talks - Although we made some progress in the Namibia proximity talks in New York, the outcome is still in doubt. Before leaving for South Africa to consult with his government, Pik Botha indicated some flexibility on monitoring SWAPO bases outside Namibia, which he said might be done by a limited number of UN personnel together with representatives of the frontline states. He insisted, however, that there could be no SWAPO "bases" or "locations" in Namibia itself.

SWAPO and the frontline, during a joint meeting with the Ministers, confirmed that SWAPO forces in Angola and Zambia would be confined to their bases during the transition period and would be monitored by the Angolans and Zambians. They also confirmed that SWAPO forces would not attempt to cross the border after the ceasefire. This is a major step forward. We also made progress on the question of UN Liaison Offices in the frontline states.

The Contact Group will continue to work at the experts level pending Pik Botha's consultations in South Africa.

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5. Christopher Trip - Warren returned this afternoon from his meetings in Rome, Bonn, Paris and Brussels, where he briefed leaders on the Egyptian-Israeli Treaty. Andreotti was particularly grateful for the briefing, expressing solid support for our policy and admiration for your role. The Italians, who have good connections in several Arab countries, will try in a number of ways to urge restraint on the moderate Arabs and on Palestinian leaders.

In Bonn, Schmidt received Warren for nearly two hours. He praised the role you had played in the Middle East, and he has apparently already instructed his ambassadors there to urge restraint and moderation on their host governments. (They also talked extensively about Turkey, on which I will be reporting to you separately.)

In Paris, Warren met with Foreign Minister Francois-Poncet who expressed skepticism about upcoming negotiations on the West Bank and Gaza, but did concede that some problems can be approached "one slice" at a time. It is doubtful that the French will provide public or private support for the treaty.

This morning Warren concluded his trip by briefing the North Atlantic Council in Brussels. The reception for the Treaty was enthusiastic.

6. Visa Malfeasance in Argentina - The news media this morning reported the existence of a visa fraud ring in our Embassy at Buenos Aires. Our investigation has uncovered three separate groups of local employees, each working on its own, selling US tourist visas and stealing documents such as US Government checks. Six Argentine employees in the consular section have been dismissed, and four have been charged by the Argentine authorities with fraud or theft. No Americans were involved.

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7. US/Moroccan Relations - ICA has signed an agreement with a Moroccan delegation for a \$500,000 academic exchange program to be jointly funded by the two countries. This is the first step towards following up the commitment you and King Hassan made last November to have our two governments work towards increasing academic exchanges. Another commitment will be implemented April 1-4, when Juanita Kreps visits Morocco to promote US trade and investment. These activities are a helpful counterpoint to the strain in our relations over our military supply policy.

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